

**WASHINGTON, D.C.** – Congresswoman Loretta Sanchez (CA-47), a member of the Joint Economic Committee, today announced that Santa Ana and Orange County will receive over \$1.4 million and \$1 million in grant funding, respectively, from the Department of Housing and Urban Development (HUD) to help reverse the effects of the foreclosure crisis. The grants represent a third round of funding through HUD's Neighborhood Stabilization Program (NSP) and will provide targeted emergency assistance to help communities across California acquire, redevelop, or demolish foreclosed properties.

"Orange County's foreclosure crisis has been one of the most significant consequences of this recession," said Rep. Sanchez. "In addition to providing assistance to struggling homeowners, we have to reduce blight in order to stabilize neighborhood home values. This funding will help our local communities accomplish both of these goals while also creating jobs and producing affordable housing."

"These grants will support local efforts to reverse the effects these foreclosed properties have on their surrounding neighborhoods," said HUD Secretary Shaun Donovan. "We want to make certain that we target these funds to those places with especially high foreclosure activity so we can help turn the tide in our battle against abandonment and blight."

The funding announced today is provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act. To date, there have been two other rounds of NSP funding: the Housing and Economic Recovery Act of 2008 provided \$3.92 billion and the American Recovery and Reinvestment Act of 2009 appropriated an additional \$2 billion. Like those earlier rounds of NSP grants, these targeted funds will be used to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. Today, 92 cents of every dollar from the first round of NSP funding has been designated to buy up and renovate homes and create jobs.

California's state and local governments can use their neighborhood stabilization grants to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer down payment and closing cost assistance to low- to moderate-income homebuyers. In addition, these grantees can create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

The NSP also seeks to prevent future foreclosures by requiring housing counseling for families receiving homebuyer assistance. HUD further seeks to protect future homebuyers by requiring states and local grantees to ensure that new homebuyers under the program obtain a mortgage loan from a lender who agrees to comply with sound lending practices.□

In addition to a third round of NSP funding, the Dodd-Frank Wall Street Reform and Consumer Protection Act creates a \$1 billion Emergency Homeowners Loan Program to be administered by HUD. This loan program will provide up to 24 months in mortgage assistance to homeowners who are at risk of foreclosure and have experienced a substantial reduction in income due to involuntary unemployment, underemployment, or a medical condition. HUD will announce additional details, including the targeted areas and other program specifics when the program is officially launched in the coming weeks.